Youth Initiatives Brochure Page 1 of 8

(Cover)

Philip Morris USA

Update

Initiatives to prevent minors from having access to tobacco products.

7/11/94

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A message from Philip Morris USA

At Philip Morris we believe that any level of underage smoking is unacceptable.

Although smoking among minors is on the decline, there are still minors who smoke.

As the nation's largest tobacco company we are committed to preventing minors from smoking.

We think that the best way to keep cigarettes out of the hands of minors is to cut off their access to tobacco products.

This brochure outlines the initiatives we are taking to create barriers to prevent minors form buying cigarettes.

We are working with legislators, other manufacturers, public officials, law enforcement authorities, retail groups and retailers -- and we would like to work with you -- to eliminate smoking among minors.

For more information, please contact us at 1-800-343-0975

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Pages 2 & 3 — Spread

Smoking By Minors is on the Decline

Government statistics show that smoking by minors is on the decline:

Surveys sponsored by the National Institute on Drug Abuse show a steady decline in daily smoking among high school seniors, from almost 29% in 1975 to about 19% in 1993.*

The Centers for Disease Control 1989 Teenage Attitudes and Practices Study found that 69.5% of 12-to-17 year olds have never smoked a cigarette.

However, there are still minors who smoke. And Philip Morris believes that keeping cigarettes out of the hands of minors is an important issue.

We're selling products for adult smokers, to adult smokers. Period.

Philip Morris does not advertise to minors.

Consistent with our believe that smoking is an adult custom, we direct our marketing activities only to those adults who chose to smoke.

We require that all models appearing in our advertising are a minimum of 25 years of age and look it.

• We sample only to those adults 21 years of age or older who state that they are already smokers and who can prove their age.

^{* &}quot;National Survey Results on Drug Use," from *The Monitoring the Future Study*, 1975-1992, National Institute on Drug Abuse, 1994.

• We insist on written verification that an individual is both over 21 and a smoker in order to be eligible to receive promotional materials of any kind.

And research demonstrates that minors do not start smoking because of cigarette advertising.

- In a 1994 Gallup Organization survey of smoking by minors, over 90% of minors said they started smoking because of the influence of family, friends and peers.**
- In fact, not a single minor who responded to the Gallup survey said that they started smoking because of cigarette advertising.

The influence of family, friends and peers on the decision to smoke has been well documented in the social science literature.

At Philip Morris, we believe that any level of underage smoking is unacceptable.

Because we don't want minors to have access to tobacco products, Philip Morris is committed to working with legislators, law enforcement retailers and community groups to prevent minors from buying cigarettes.

Pages 4 & 5—Spread

No sale!

Restricting access to tobacco products.

Legislative Initiatives

Philip Morris has long supported the passage in every state of laws prohibiting the sale of cigarettes to anyone under 18, and imposing heavy fines on both the seller and the purchaser.

In 1992, states were further encouraged to prevent cigarette sales to minors when Congress reorganized the Alcohol, Drug Abuse and Mental Health Administration

^{**} Smoking Prevalence, Beliefs, and Activities -- By Gender and Other Demographic Indicators, The Gallup Organization, May 1994

(ADAMHA) as part of the Public Health Services Act. This law requires that in order to receive some \$2 billion in federal substance abuse grants, states must enact a tobacco restriction law with a minimum age of 18; enforce the law; and prove that it is being enforced.

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50 states and Washington, D.C. have minimum age laws for selling cigarettes.

48 at age 18

3 at age 19

- 50 states and Washington, D.C. fine retailers for selling cigarettes to minors.
- 37 states fine minors for buying cigarettes.
- 31 states restrict vending machine placement.
- 31 states restrict sampling to places accessible to adults only.
- 38 states license retailers. 24 of them will revoke retail licenses for sales to minors.
- 32 states require retailers to display signage listing the state cigarette sales law.
- 37 states monitor smoking by minors.
- 40 states prohibit smoking in schools.

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It's the Law!

Proving it's in retailers' best interests to enforce the law.

Philip Morris believes that the most effective way to prevent minors from buying cigarettes is to have retailers and vending machine operators obey the law.

That's why Philip Morris, in collaboration with the National Association of Convenience Stores, created the "It's the Law!" program.

"It's the Law!" doesn't just tell retailers to obey the law because they should. Free kits give them the tools they need to do it successfully. The kits include:

- A brochure providing the latest information on each state's age and licensing requirements for the sale of cigarettes, and warning of the penalties for sales to minors.
- Educational materials to help teach retail employees how to verify purchasers' ages and enforce minimum age laws. They also warn employees of the fines and penalties that can result from "sting" operations by anti-smoking groups and local police.
- A selection of "It's the Law!" decals for posting on windows, displays and cash
 registers. The consistent graphic look of the decals makes them an easilyidentifiable nationwide symbol. The use of it demonstrates to the public that
 retailers and the tobacco industry are working together to ensure that minors will
 not be permitted to purchase cigarettes.

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"It's the Law!" kits can be ordered free of charge from Philip Morris at 1-800-343-0975. Retailers are encouraged to order as many kits as they need.

By participating in "It's the Law!," retailers are demonstrating their commitment to their communities not to sell cigarettes to minors.

Philip Morris also supports laws that require *all* cigarette vending machines to be located in places where access is limited to adults, or where there is stringent adult supervision.

More than 100 state and local retail, vending machine, wholesale and tobacco and candy trade associations have endorsed "It's the Law!"

Our goal is to achieve 100 percent participation by everyone who sells tobacco products.

The Philip Morris Crime Prevention Conference

Retailers everywhere are worried about crime. So we developed a Retail Crime

Prevention Conference to discuss their concerns and achieve effective solutions. Law
enforcement personnel, elected officials, local district attorneys and other experts discuss
topics such as in-store security, how retailers and their employees should respond if a
crime occurs, and what to do after a crime has occurred.

In the context of helping retailers protect themselves against crime, we are able to reinforce the fact that selling cigarettes to minors is a crime, and emphasize the seriousness of its consequences.

Through the retail crime seminar program, we support the efforts of retailers to educate their employees of their state's minimum age laws, to check for ID and to report to police any incident relating to minors' attempts to buy cigarettes.

We feel strongly that the only way to reinforce support for state minimum age laws is for the retail community, law enforcement and elected officials to work together.

Preventing illegal use of Philip Morris logos.

Protecting our trademarks is good business sense. But when it comes to the illegal use of our logos on children's' toys, candies and clothing, we have a blunt message for the perpetrators: "We'll see you in court."

We have warned them in ads, and followed up with legal action in more than 1800 cases.

We work continuously, on our own and with the United States Customs Service, to — prevent the importation and sale of such products and to trace them back to the manufacturer even if the products are never sold in the United States. We have been particularly active in Taiwan and Thailand, where many of the businesses that produce these products repeatedly spring up.

Once located, we attempt to assure the destruction of all contraband merchandise, packaging material and printing plates.

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If you see our logo on <u>any</u> product for children, let us know and we'll put a stop to it. Just call us right away at 1-800-343-0975.

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Let's work together.

Philip Morris doesn't want minors to buy cigarettes. We think the best way to prevent minors from buying tobacco products is to cut off their access at retail and through vending machines. Now that every state has a minimum age law, we're putting our efforts behind "It's the Law!" to remind retailers of the serious consequences of selling cigarettes to minors, and to help them comply with the law.

But we know we can't be everywhere at once. So, if you see any retailer who is not part of the program, let us know and we will send them a complete "It's the Law!" kit. If you are active in a retail association, we will also work with you to ensure that all of your members are participating in this program.

Keeping cigarettes out of the hands of minors is an important issue to Philip Morris, and we will continue to take the lead in preventing minors from buying cigarettes by working with legislators, police, community groups and retail associations. And, we hope, with you.

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For more information on this important subject, or for a free "It's the Law!" kit and information on developing the program in your community, please call us at 1-800-343-0975.